



State of Tennessee Department of Children's Services

## **Administrative Policies and Procedures: 3.30**

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**Subject: Dual Services Performed By A State Employee  
(Dual Services Contract)**

**Supersedes: DCS 3.30, 12/01/01**

**Local Policy: No**

**Local Procedures: No**

**Requires Training: No**

**Applicable Practice Model Standard(s): No**

**Approved by:**

**Effective date: 12/01/01**

**Revised date: 10/01/05**

### **Application**

To All Department of Children's Services Employees

**Authority:** TCA 37-5-106; 8-23-201 (c); Rules of the TN Dept. of Finance and Administration, Chapter 0620-3-2; Finance and Administration Policy 18

### **Policy**

Employees may perform services for other State departments, agencies and institutions of Tennessee State Government for which compensation is expected approved through a dual services contract between State departments, agencies or institutions.

### **Procedures**

#### **A. General guidelines**

1. Employees must not receive any compensation for services with another State agency outside his/her regular position and work schedule with DCS unless they are performed at times when not on duty with DCS. An arrangement will therefore not be approved if it will diminish the time an employee will have available for the performance of their regular duties.
2. Employees must prepare and submit the *Memorandum of Agreement* form attached to [F&A Rule 0620-3-2](#) for approval and signature by both agencies involved.

3. The head of the employer agency and the head of the agency procuring the services will approve the memorandum.
4. A copy will be filed with the Budget Division of the Department of Finance and Administration and the Department of Personnel.
5. If the compensation to the employee exceeds \$1,500, the advance written approval of the Budget Division of the Department of Finance and Administration will be required.

**B. Billing the  
procuring agency**

1. The accounting section of DCS Finance and Program Support Services must receive a signed copy of the memorandum of the agreement.
2. Thirty days (30) prior to the completion date of the agreement, or whenever a signed copy is received, an accountant will prepare an invoice according to the memorandum of agreement.
3. The invoice must state that a check for the amount established in the agreement should be made payable to the **Treasurer of the State of Tennessee**, and mailed to the Department of Children's Services Finance Services/Accounts Receivable section.
4. The Director of Finance and Program Support Services or designee must sign the invoice.
5. The invoice along with a copy of the signed memorandum will be mailed to the procuring agency.
6. Copies of the invoice and the memorandum of agreement are sent to the following:
  - a) Accounts receivable section for documentation;
  - b) Accounts payable payroll section for supplemental payroll when payment is received;
  - c) Contract section for their information.
7. Documentation will be maintained in the office of Finance and Program Support Services accounting section.

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- C. Reimbursement to employer agency**
1. The procuring agency will reimburse the employer agency in the amount of actual cost as follows:
  2. Payment will be made by journal voucher (*in case of Executive branch agencies*) or by check (*in case of Higher Education Institutions*).
  3. If the employer agency makes a contribution for social security and retirement, the amount of that contribution will be included in the reimbursement between the two agencies.
- D. Receipt of payment by accounts receivable section**
1. When the accounts receivable section receives the payment, a comparison will be made between the payment and the agreement/contract.
  2. If the payment is made by check, the procedure for cash receipts outlined in DCS policy [3.8, Receipt of Cash Items](#), must be followed.
  3. If the payment is by journal voucher, the procedure for processing journal vouchers outlined in [Finance & Administration Policy 18](#) and DCS policy [3.7, Processing Journal Vouchers](#), must be followed.
  4. After payment is processed the accounts payable section must be notified. The following is required by the accounts payable section:
    - ◆ Copy of certificate of deposit or journal voucher;
    - ◆ Copy of the agreement/contract;
  5. After payment is received and processed the accounting section will be notified.
- E. Compensation to the employee**
- Compensation will be made to the employee by the following means:
1. The funds will be payable through the personnel system of the employer agency and be shown on the records as additional earnings.
  2. Payment will be authorized by a supplemental payment authorization, subjecting the additional earnings to income tax, social security, and retirement deductions.
  3. If the agreement does not specify that the procuring agency added the employee's benefits to the amount of the

agreement, the following procedures are followed:

- a) The employer agency must figure the amount of the employee's benefits and deduct that amount from the agreement amount from the supplemental.
- b) The FICA and retirement percent must be added together to get the percent of the matching benefits. (FICA .0765 and retirement .0619).
- c) To calculate the total amount due the employee, take the amount of the check and divide by 1.1384. This will give you the gross amount of the employee's check.
- d) If the agreement includes the state's share of employee's benefits, the employee is entitled to the gross amount included in the agreement.

**F. When DCS is the  
procuring agency**

1. When invoice is received from the employer agency, it is verified with the letter of agreement.
2. A journal voucher is prepared and sent to the employer's agency. (See *DCS policy [3.7, Processing Journal Vouchers.](#)*)
3. If an outside agency is the vendor, a warrant is prepared according with procedures for STARS (see the section on STARS payments).

**Forms**

None

**Collateral Documents**

*Finance and Administration Policy 18*

**Standards**

None